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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
JANUARY 1960

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Federal Order No. 100, 3756 Ringgold Rd., Chattanooga Tl, Tennessee
J. B. McCroskey, Market Administrator

USDA CONTINUES CURRENT DAIRY SUPPORT PRICES FOR ANOTHER YEAR

Secretary of Agriculture Ezra Taft Benson announced on January 8, 1960 that current dollar-and-cents support prices for manufacturing milk and butterfat will be continued through the 1960-61 marketing year which begins on April 1. The support prices are being continued at \$3.06 per hundredweight for manufacturing milk and 56.6 cents per pound for butterfat.

MARKET SUMMARY JANUARY 1960

The Chattanooga Order Minimum uniform producer price is \$4.96 per cwt. f.o.b. pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During January 84.4% of the total producer milk was priced in Class I at \$5.34 per cwt. with a butterfat differential of 8.0 cents and 15.6% was priced in Class II at \$3.38 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 85.1% and 69.1% respectively.

The daily average delivery of producer milk during January increased 2.2% compared with December and increased 7.7% compared with January 1959. The daily average use of Class I milk increased 1.0% compared with December and decreased 1.5% compared with January 1959.

MILK SAMPLES TESTED - Composite 172, Fresh 5,135, Finished Products 236.

DECEMBER 1959 DAILY AVERAGE MILK DELIVERIES AND NUMBER OF PRODUCERS BY COUNTIES
COMPARED WITH DECEMBER 1958

State and County	December 1959				December 1958			
	Average Deliveries	% of Total	No. Prod.	Av. Lbs. Per Farm	Average Deliveries	% of Total	No. Prod.	Av. Lbs. Per Farm
<u>TENNESSEE</u>								
Bledsoe	8,538	2.09	19	449	7,788	2.00	19	410
Bradley	78,036	19.08	153	510	75,994	19.51	165	461
Cumberland	2,452	.60	4	613	2,436	.63	4	609
Franklin	15,298	3.74	24	637	10,695	2.75	22	486
Hamilton	40,962	10.01	58	706	41,427	10.63	64	647
Loudon	3,872	.95	8	484	4,822	1.24	10	482
Marion	13,266	3.24	29	457	13,598	3.49	32	425
McMinn	95,844	23.43	170	564	92,741	23.82	190	488
Meigs	22,088	5.40	44	502	19,906	5.11	44	452
Monroe	21,453	5.24	32	670	22,678	5.82	36	630
Polk	16,664	4.07	22	757	14,787	3.80	22	672
Rhea	12,556	3.07	27	465	11,679	3.00	29	403
Sequatchie	15,673	3.83	28	560	13,064	3.35	26	502
<u>GEORGIA</u>								
Catoosa	23,801	5.82	32	744	24,053	6.18	34	707
Walker 1/	26,628	6.51	36	740	23,356	6.00	34	687
<u>ALABAMA</u>								
DeKalb	5,623	1.37	13	433	3,364	.86	18	187
Jackson	6,338	1.55	14	453	7,032	1.81	15	469
TOTAL	409,092	100.00	713	574	389,420	100.00	764	510

1/ Includes 1 producer in Fannin County for 1959

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Jan. '60</u>	<u>Dec. '59</u>	<u>Jan. '59</u>
Number of Plants (Pool and Non-Pool)	19	19	20
GROSS RECEIPTS (DAILY AVERAGE)			
Producer Milk - Cans	83,728	85,865	182,888
Producer Milk - Bulk Tank	<u>334,296</u>	<u>323,227</u>	<u>205,287</u>
Total Producer Milk Pounds	418,024	409,092	388,175
% January '60 compared with:	100.0	102.2	107.7
Other Source Milk Pounds	5,947	9,092	12,587
Other Order Milk Pounds	<u>4,096</u>	<u>5,996</u>	<u>22,850</u>
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>428,067</u>	<u>424,180</u>	<u>423,612</u>
% January '60 compared with:	100.0	100.9	101.1
GROSS UTILIZATION (DAILY AVERAGE)			
Class I Milk Pounds:			
Fluid Milk	294,610	290,156	289,077
Buttermilk	39,801	38,489	38,288
Chocolate Milk	6,733	6,858	6,430
Fluid Skim	10,761	10,445	7,286
Fluid Creams	2,267	2,601	2,135
Bulk to Non-Handlers	2,386	4,232	18,957
Class I Shrinkage	1,430	1,052	1,218
Inventory Reclassification	(1,270)	(542)	(1,159)
Overstated Sales	(16)	-	-
Total Class I Milk	<u>356,702</u>	<u>353,291</u>	<u>362,232</u>
% January '60 compared with:	100.0	101.0	98.5
Class II Milk Pounds (Used to Produce)			
Butter	4,685	5,194	4,209
Cottage Cheese	11,829	11,767	10,655
Powdered and Condensed Milk	23,372	29,137	23,946
Ice Cream	12,062	12,865	16,743
Inventory Variation	9,491	(2,530)	(3,953)
Other	<u>9,926</u>	<u>14,456</u>	<u>9,780</u>
Total Class II Milk	<u>71,365</u>	<u>70,889</u>	<u>61,380</u>
% January '60 compared with:	100.0	100.7	116.3
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>428,067</u>	<u>424,180</u>	<u>423,612</u>
Gross Cl. I Packaged Units-Pounds (Daily Av.)	354,172	348,549	343,216
% January '60 compared with:	100.0	101.6	103.2
% Producer Milk of Gross Class I	117.2	115.8	107.2
% Producer Milk Priced in Class I	84.4	85.2	86.2

NUMBER OF FARM PAYROLL ACCOUNTS

	1959												1960
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Can	427	413	400	390	362	343	311	264	246	218	203	198	185
Tank	334	342	349	353	380	395	418	478	486	503	513	515	528
TOTAL	761	755	749	743	742	738	729	742	732	721	716	713	713
New	4	0	2	2	1	0	0	20	5	4	2	3	5
Quit	7	6	8	8	2	4	9	7	15	15	7	6	5

MILK BASE -- 1960

New bases will be announced by February 29, 1960. Milk Bases were built during September 1959 thru January 1960. These bases are to be used for calculating payment for milk deliveries during March thru July 1960. If you do not receive your Milk Base Notice shortly after March 1, 1960, please notify the Market Administrator.

FEBRUARY 1960 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Feb. '60	Jan. '60	Feb. '59
Basic Formula (See page 4)	\$3.51	\$3.57	\$3.43
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.02	0.00
Class I Price, 4.0% Butterfat	\$5.26	\$5.34	\$5.18

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: December and January	
Supply: Lbs. Producer Milk (Dec. 12,681,848 and Jan. 12,958,758)	25,640,606
Demand: Lbs. Net Class I Milk (Dec. 10,854,564 and Jan. 10,983,109)	21,837,673
Utilization Percentage: Producer milk divided by Class I	117
Standard Utilization Percentage: Range 117-121	117
Net Deviation Percentage: Utilization minus Standard Utilization	0
Supply-Demand Adjustment: 2 cents x 0 percentage points	\$0.00

Since the supply in relation to the demand is within the desired standard, the price is not affected by the supply-demand provision.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JANUARY 1960

Based on 19 Plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		11,057,745	3.600		
Less Other Source		122,809	2.315		
Producer Milk Class I	84.4	10,934,936	3.614598	\$5.031678	\$550,210.77
Gross Class II		2,212,334	8.014		
Less Other Source		188,512	0.478		
Producer Milk Class II	15.6	2,023,822	8.715836	6.539610	132,350.07
TOTAL PROD. (Cl. I + Cl. II)	100.0	12,958,758	4.411279		682,560.84
Add Fractional Adjustment					.07
Add Compensatory Payment Value		10,498		0.38	39.89
Add Overage Value					10.64
Add Inventory Reclassification Value					171.80
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,765.75
TOTAL VALUE AT TEST		12,958,758	4.411279		688,548.99
Less Test Over 4% @ 7.6¢ per point		12,958,758	.411279	0.312572	40,505.45
TOTAL VALUE AT 4.0%		12,958,758	4.0	5.000815	648,043.54
Less Producer-Settlement Fund Reserve		12,958,758		.040815	5,289.12
UNIFORM PRICE f.o.b. POOL PLANT		12,958,758	4.0	\$4.96	\$642,754.42

JANUARY 1960 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT

BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0%	\$4.20	3.6%	\$4.656	4.2%	\$5.112	4.8%	\$5.568	5.4%	\$6.024
3.05	4.238	3.65	4.694	4.25	5.15	4.85	5.606	5.45	6.062
3.1	4.276	3.7	4.732	4.3	5.188	4.9	5.644	5.5	6.10
3.15	4.314	3.75	4.77	4.35	5.226	4.95	5.682	5.55	6.138
3.2	4.352	3.8	4.808	4.4	5.264	5.0	5.72	5.6	6.176
3.25	4.39	3.85	4.846	4.45	5.302	5.05	5.758	5.65	6.214
3.3	4.428	3.9	4.884	4.5	5.34	5.1	5.796	5.7	6.252
3.35	4.466	3.95	4.922	4.55	5.378	5.15	5.834	5.75	6.29
3.4	4.504	4.0	4.96	4.6	5.416	5.2	5.872	5.8	6.328
3.45	4.542	4.05	4.998	4.65	5.454	5.25	5.91	5.85	6.366
3.5	4.58	4.1	5.036	4.7	5.492	5.3	5.948	5.9	6.404
3.55	4.618	4.15	5.074	4.75	5.53	5.35	5.986	5.95	6.442

SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan. '59	\$4.88	-	-	7.4¢	\$5.21	7.8¢	\$3.33	6.6¢
Feb.	4.79	-	-	7.2	5.18	7.5	3.21	6.6
Mar.	4.67 2/	\$4.82	\$3.11	7.2	5.21	7.5	3.15	6.6
Apr.	4.49 2/	4.74	3.04	7.2	5.12	7.5	3.08	6.7
May	4.36 2/	4.59	2.99	7.2	4.97	7.5	3.03	6.7
June	4.46 2/	4.67	2.99	7.2	5.05	7.5	3.03	6.7
July	4.61 2/	4.83	2.99	7.2	5.10	7.5	3.03	6.7
Aug.	4.58	-	-	7.4	5.10	7.5	3.04	6.9
Sept.	4.77	-	-	7.6	5.04	7.8	3.57	7.2
Oct.	4.94	-	-	8.0	5.14	8.2	3.59	7.2
Nov.	5.08	-	-	7.8	5.36	8.1	3.67	7.4
Dec.	5.12	-	-	8.0	5.48	8.3	3.57	7.1
Jan. '60	4.96	-	-	7.6	5.34	8.0	3.38	6.7
Feb.	-	-	-	-	5.26	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	(\$-cwt-4%)				
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Mid-West Cond.	Butter Cheese	Butter Powder	4 Tenn. Milk Mfg.	
Jan. '59	3.062	57.744	12.680	31.750	3.43	3.14	3.33	3.21	3.43
Feb.	3.060	57.743	12.695	31.750	3.42	3.14	3.33	3.21	3.42
Mar.	3.014	57.750	12.720	31.750	3.37	3.14	3.33	3.15	3.37
Apr.	2.952	57.840	12.615	31.596	3.31	3.14	3.34	3.08	3.34
May	2.918	57.905	12.800	31.100	3.28	3.14	3.34	3.03	3.34
June	2.908	57.974	12.600	31.000	3.27	3.14	3.35	3.03	3.35
July	2.933	58.026	12.645	31.100	3.29	3.14	3.35	3.03	3.35
Aug.	2.965	60.190	12.820	31.531	3.34	3.24	3.45	3.04	3.45
Sept.	3.013	62.730	12.890	31.692	3.39	3.36	3.57	3.10	3.57
Oct.	3.098	62.360	13.070	31.875	3.50	3.35	3.59	3.13	3.59
Nov.	3.146	63.930	13.025	33.688	3.54	3.45	3.67	3.18	3.67
Dec.	3.154	61.870	13.190	34.750	3.55	3.38	3.57	3.20	3.57
Jan. '60	3.128	57.962	13.250	34.750	3.51	3.20	3.38	3.21	3.51

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS 3/					Number of Hdlr. Prod.	Deliveries Per Farm -- Pounds			Prod. Milk Test %
	Gross Cl. I	Prod. Cl. I	Prod. Repts.	Base Repts.	Gross Repts.		Prod.	Base	Exc.	
Jan. '59	362,232	334,538	388,175	-	423,612	20	761	510	-	4.46
Feb.	341,167	310,878	378,577	-	416,038	20	755	501	-	4.32
Mar.	332,496	301,741	399,902	365,270	434,768	20	749	534	488	4.27
Apr.	341,167	310,039	443,890	376,828	480,157	19	743	597	507	4.15
May	329,182	299,433	433,519	370,297	469,576	19	742	584	499	4.12
June	320,140	290,413	404,243	354,261	440,588	19	738	548	480	4.11
July	331,541	301,520	390,727	343,678	427,610	19	729	536	471	4.10
Aug.	342,026	311,661	411,167	-	447,707	19	742	554	-	4.07
Sept.	393,150	362,439	438,703	-	475,704	19	732	599	-	4.13
Oct.	386,834	374,206	415,133	-	436,128	19	721	576	-	4.30
Nov.	361,367	350,101	411,180	-	430,087	19	716	574	-	4.46
Dec.	353,291	348,611	409,092	-	424,180	19	713	574	-	4.45
Jan. '60	356,702	352,740	418,024	-	428,067	19	713	586	-	4.41

1/ Excludes Premium

2/ For statistics only

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I; Excess is Producer minus Base